

Message Text

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ACTION EA-10

INFO OCT-01 ISO-00 SCCT-01 OMB-01 AID-05 CIAE-00 DODE-00

PM-03 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 COME-00 EB-07 LAB-04 SIL-01

TRSE-00 CU-02 AGR-05 CIEP-01 FRB-03 /086 W

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R 131013Z JUN 75

FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 9740

INFO AMEMBASSY BANGKOK

CINCPAC FOR POLAD

C O N F I D E N T I A L SECTION 1 OF 2 RANGOON 1616

E.O. 11652: GDS

TAGS: PINT, BM

SUBJECT: SIGNIFICANCE OF STUDENT/LABOR DISTURBANCES

1. SUMMARY. PRELIMINARY ASSESSMENT OF LAST WEEK'S EVENTS INDICATE CURRENT REGIME REMAINS VERY MUCH IN CONTROL BUT UNDERLYING SERIOUS DISCONTENT CONTINUES. STUDENTS AND WORKERS SOUGHT DIFFERENT OBJECTIVES AND GOVERNMENT EFFECTIVELY EMPLOYED TACTICS ADAPTED TO EACH. EFFORT TO GRAPPLE WITH ECONOMIC PROBLEMS THROUGH ESTABLISHMENT OF PRICE CONTROLS ON BASIC FOODS MAY EXACERBATE SITUATION. UNLESS SOME PROGRESS IS MADE IN SOLVING ECONOMIC PROBLEMS, FUTURE UNREST IS LIKELY. END SUMMARY.

2. AS THE DUST SETTLES AFTER PAST WEEK'S DISTURBANCES AND RANGOON RESUMES ITS DRAB LIFE, SOME TENTATIVE IMPLICATIONS ABOUT THESE EVENTS ARE BEGINNING TO EMERGE.

3. THE STUDENT AND LABOR MOVEMENTS - THE OCCASION (ALTHOUGH NOT THE CAUSE) FOR THE UNREST WAS OF COURSE THE ANNIVERSARY OF LAST YEAR'S VIOLENT CLASH BETWEEN STRIKERS AND SECURITY FORCES. HOWEVER, THE VANGUARD OF THE LAST WEEK'S DEMONSTRATIONS WAS THE UNIVERSITY SECTOR, STILL EMBITTERED BY THE GUB'S CRACKDOWN ON THE

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CAMPUS LAST DECEMBER. THERE IS LITTLE EVIDENCE THAT ANYTHING

MORE THAN TENTATIVE CONTACTS WAS EVER REALLY ESTABLISHED BETWEEN THE TWO GROUPS PRINCIPALLY BECAUSE THEIR TACTICS AND OBJECTIVES DIFFERED. THE STUDENTS CAUSE WAS POLITICAL, ITS QUIXOTIC GOAL A CHANGE IN THE CURRENT POWER STRUCTURE. FOR THE WORKERS, THE ISSUES WERE ECONOMIC, ESPECIALLY RELIEF FROM THE HARSH EFFECTS OF THE RISING COST OF LIVING ON THEIR LOW, FIXED INCOME. THE STUDENTS TOOK TO THE STREETS AND THE SHWEDAGON IN A GENERALLY FUTILE EFFORTS TO AROUSE ACTIVE SUPPORT FROM THE URBAN POPULACE; THE WORKERS OCCUPIED THEIR PLANTS, NOT TO OVERTURN THE GOVERNMENT, BUT TO PROD IT INTO REMEDIAL ECONOMIC ACTION. AND WHILE THE DIFFERING OBJECTIVES OF THE TWO SECTORS LIMITED THEIR ABILITY TO ACT IN UNISON, IT ALSO PERMITTED THE GOVERNMENT TO TREAT EACH WITH DIFFERENT STRATEGIES. IT COULD NOT, OF COURSE, ACCEDE TO THE STUDENT DEMANDS; DEFTLY, AND WITHOUT VIOLENCE, IT SIMPLY DETAINED THE LEADERSHIP (ARRESTS ARE REPORTEDLY CONTINUING) AND DISBANDED THE STUDENT BODY. ON THE OTHER HAND, IT COULD NEGOTIATE WITH THE WORKERS TO A CERTAIN DEGREE AND DID SO ALTHOUGH ITS NEGOTIATING POSITION WAS ENHANCED BY AN EFFECTIVE SHOW OF FORCE. AS A RESULT, THE WORKERS MAY HAVE WON SOME GAINS SUCH AS AN INCREASE IN RICE AND OTHER SUPPLIES FROM GOVERNMENT OUTLETS, A GREATER SHARE OF PLANT PRODUCTION FOR RESALE ON THE BLACK MARKET (THIS WAS APPARENTLY THE BASIS FOR THE SETTLEMENT AT THE PHARMACEUTICAL FACTORY) AND INCREASED OVERTIME WAGES (HELPFUL TO WORKERS IN SERVICE RATHER THAN MANUFACTURING ESTABLISHMENTS, E.G., THE RAILWAY REPAIR SHOPS). HOWEVER, THESE ARE SIMPLE STOPGAP MEASURES TO END CONFRONTATION AND AVOID VIOLENCE AND DO NOT REPRESENT SIGNIFICANT NEW POWER ON THE PART OF LABOR. IN FACT, VARIOUS LEADERS OF THE LABOR UNREST ARE REPORTEDLY BEING ARRESTED IN AN EFFORT TO AVOID ITS REOCCURRENCE.

4. PROBLEM MANAGEMENT IN THE GUB - THE GOVERNMENT'S RECORD IN HANDLING THE SITUATION IS MIXED. AS NOTED ABOVE, ITS OPERATIONAL TACTICS DURING THE DISTURBANCES THEMSELVES WERE EFFECTIVE. IT PERMITTED THE DEMONSTRATORS TIME TO BLOW OFF STEAM AND CAREFULLY AVOIDED CONFRONTATION. WHEN IT DECIDED THAT IT WAS TIME TO MOVE (PERHAPS CONCERNED THAT A REAL STUDENT/LABOR ALLIANCE MIGHT BE DEVELOPED) IT DID SO SWIFTLY AND EFFICIENTLY, DIVIDING THE TWO SECTORS AND ADAPTING ITS TACTICS TO DEAL WITH EACH. ITS EFFORTS TO HEAD OFF THE UNREST IN THE FIRST PLACE, HOWEVER, SMACKED OF TOKENISM AND NAIVETAOM THE ANNOUNCEMENT OF INCREASED TEXTILE

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DISTRIBUTION FOR INDUSTRIAL COOPERATIVES (TO WORKERS WITHOUT THE MONEY TO BUY THEM) JUST PRIOR TO JUNE 6 ANNIVERSARY WAS HARDLY AN ADEQUATE RESPONSE TO THE ECONOMIC CRUCH. AND NE WIN'S PLAN OF SENDING THE BSPP EXECUTIVE COMMITTEE MEMBERS AND MINISTERS AROUND THE COUNTRY TO JUSTIFY THE GOVERNMENT'S ILL-FOUNDED POLICIES TO THE DISCONTENTED WORKERS AND STUDENTS BETRAYS A SIMPLISTIC BELIEF THAT THE PROBLEMS CAN BE EXPLAINED AWAY. (THIS COULD HAVE SOME POSITIVE RESULTS, HOWEVER, IF IT PROVES A FEEDBACK TO THE LEAD-

ERSHIP ABOUT THE SCOPE AND NATURE OF POPULAR GRIEVANCES.)

5. IN ITS PUBLIC RELATIONS TREATMENT OF THE UNREST, THE GUB WAS TO A CERTAIN DEGREE SUCCESSFUL IN PINNING THE BCP LABEL ON THE STUDENT LEADERS (IT DID NOT, HOWEVER, LINK THE BCP TO THE WORKERS). PLAYING ON LATENT ANTI-CHINESE FEELINGS AND, PERHAPS, THE FEAR OF A MORE AGGRESSIVE COMMUNIST CHALLENGE TO BURMA AFTER THE FALL OF SOUTH VIETNAM AND CAMBODIA, THE GOVERNMENT WAS QUICK TO POINT OUT THE SIMILARITY IN RHETORIC BETWEEN THE STUDENT PROPAGANDA AND THAT OF BCP CLANDESTINE BROADCASTS IN THEIR SUPPORT. THERE WERE INDEED SIMILARITIES SINCE THE BCP REPRESENTS THE ONLY MEDIA CRITICISM OF THE GUB HEARD IN BURMA. BUT WE HAVE NO EVIDENCE THAT THE BCP WAS DIRECTLY INVOLVED ALTHOUGH IT NO DOUBT AS SOME SYMPATHIZERS AMONG THE STUDENTS. NONETHELESS, THE IDEA OF BCP/

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TRSE-00 CU-02 AGR-05 CIEP-01 FRB-03 /086 W

----- 029575

R 131013Z JUN 75

FM AMEMBASSY RANGOON

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C O N F I D E N T I A L SECTION 2 OF 2 RANGOON 1616

PRC BACKING GAINED SOME GROUND AND TAINTED THE STUDENTS CAUSE. CERTAINLY THE STUDENTS WERE UNABLE TO AROUSE THE DEGREE OF PUBLIC SUPPORT THEY DID LAST DECEMBER ALTHOUGH THE CIRCUMSANCES WERE ADMITTEDLY QUITE DIFFERENT, LACKING THE RELIGIOUS OVERTONES SURROUNDING THE U THANT AFFAIR. IN LONGER RUN AS AN INFORMATION MINISTRY OFFICIAL PRIVATELY ACKNOWLEDGED, EFFECT MAY BE TO PROVIDE BCP WITH UNDESERVED FAVORABLE PUBLICITY.

6. THE AFTERMATH - AS IN LAST YEAR'S DECEMBER AND JUNE DISTURBANCES, THE GUB COMES THROUGH THE LATEST UNREST WITH ITS POWER STRUCTURE INTACT. THE MILITARY REMAINED UNITED, EFFECTIVELY IN CONTROL AND QUITE CAPABLE AND WILLING - THOUGH NOT EAGER - TO USE NECESSARY FORCE TO RESTOR ORDER. HOWEVER, THE ECONOMIC DIFFICULTIES FROM WHICH THE UNREST BASICALLY STEMMED REMAIN AND ARE PROBABLY WORSENING. THE GOVERNMENT APPARENTLY IS BEGINNING TO REALIZE HOW BAD CONDITIONS ESPECIALLY FOR THE URBAN LOWER CLASS, BUT ITS DOCTRINAIRE WAY OF DOING THINGS MAY ONLY MAKE THINGS WORSE. ON JUNE 12, THE GUB ANNOUNCED THAT PRICE CONTROLS WOULD BE ESTABLISHED FOR BASIC FOODSTUFFS INCLUDING FREE MARKET RICE, SALT, COOKING OIL, AND CERTAIN VEGETABLES.

PRICES ARE TO BE SET

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BY INDIVIDUAL TOWNSHIPS TO SUIT LOCAL CIRCUMSTANCES BUT IF THOSE ESTABLISHED IN RANGOON ARE ANY GUIDELINE, THEY ARE SOMEWHAT BELOW THE CURRENT FREE MARKET LEVELS. THE GAP WILL PROBABLY INCREASE IN THE NEXT MONTHS AS SUPPLIES ARE REDUCED. IF STRICTLY ENFORCED, THE PRICE CONTROLS MAY SIMPLY DRY UP THE MARKET AND INCREASE SHARPLY COST OF UNDER-THE-COUNTER GOODS, THUS EXACERBATING FURTHER THE PLIGHT OF THE WORKER. THIS IS AN INTERESTING REVERSAL OF THE GUB'S RESPONSE TO LAST YEAR'S LABOR DISTURBANCES WHEN IT LIFTED RESTRICTIONS ON THE RICE TRADE IN ORDER TO INCREASE SUPPLIES AND LOWER THE FREE MARKET PRICE.

7. MOST OBSERVERS FEEL THAT UNLESS GUB COMES UP WITH SOME NEW ANSWERS TO THE WORSENING ECONOMIC PROBLEMS, THE CHANCES OF FURTHER LABOR UNREST OR OTHER POPULAR MANIFESTATIONS OF DISCONTENT REMAIN HIGH.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL STABILITY, STUDENT DEMONSTRATIONS, LABOR DISPUTES, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975RANGOO01616
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750206-0743
From: RANGOON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750652/aaaabvgz.tel
Line Count: 205
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GarlanWA
Review Comment: n/a
Review Content Flags:
Review Date: 08 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUL 2003 by KelleyW0>; APPROVED <08 JUL 2003 by GarlanWA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SIGNIFICANCE OF STUDENT/LABOR DISTURBANCES
TAGS: PINT, BM
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006